



January 12, 1009
Agenda Item 6.2

MEMORANDUM

TO: Dennis Fay
Alameda County Congestion Management Agency
FROM: CJ Strategies
RE: Legislative Update
DATE: December 22, 2008

Economic Stimulus

The Democratic Congressional leadership and the Obama Transition team are discussing a package that could cost anywhere from \$670 billion to \$850 billion with the ultimate goal of creating 3 million jobs by 2011. The total amount of the package has grown even in the last week. The funding would go to states facing budget shortfalls, to social service programs and for infrastructure projects. The legislation is also expected to contain a tax element, although it has yet to be decided if that will be a one-time rebate or a long-term tax cut. We do not anticipate earmarks will be included in the legislation.

The House and Senate are drafting separate but similar measures. House and Senate appropriations staff met with Obama transition team members on December 19. Staff will work through the weekend with the expectation that all proposals must be ready for full committee staff on December 22. Staff will work through the end of the month to have proposals ready for members in early January.

The 111th Congress will be sworn in on January 6. We expect the House and Senate to be in session those first few weeks in January with the goal of assembling and sending a stimulus package to the president shortly after his inauguration on January 20. Speaker Pelosi is tentatively aiming to have a bill on the floor January 8, under an expedited process that would likely rule out individual committee markups, according to House sources. Meanwhile, Senate Majority Leader Reid wants to bring a bill to the floor as early as January 13, giving committees in his chamber little time to act. Aides have said Reid and Pelosi may not be inclined to go the "regular order" route on a bill of this magnitude; this would likely be opposed by some Committee Chairmen and Ranking Members.

We also anticipate some opposition from Senate Republicans and House Blue Dog Democrats who will call for a smaller package to reduce the impact on the budget deficit. This likely opposition by some members and negotiations between the House and Senate on their respective bills could push a final deal into February.

Some of the likely elements of a package include:

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- Funding for infrastructure including roads, bridges (funds would go out by current formula to states)
- Funding increase for food stamps, expanding unemployment insurance,
- An increase in the federal match for Medicaid
- General block grants to states
- Funding for repairing and modernizing schools,
- Funding to provide broadband access to more parts of the country
- Making sure all hospitals and doctors offices have access to patient's electronic medical records
- Green job creation
- Making public buildings more energy efficient

FY09 Appropriations Bills

Appropriators are currently working on completing their individual bills so that the omnibus can be compiled by the end of December and ready for lawmakers when they return in January. As you recall, Democrats decided early this year that they would finish much of the fiscal 2009 appropriations work next year, rather than face potential vetoes from President Bush. Three full-year bills — Defense, Military Construction-VA and Homeland Security — were enacted in a package with the continuing resolution that funded programs covered by the other nine at fiscal 2008 levels through March 6. In total, Democrats want to spend \$24.5 billion more than the \$991.6 billion Bush requested for the 12 fiscal 2009 spending bills. The unfinished bills are Agriculture, Commerce-Justice-Science, Energy-Water, Financial Services, Interior-Environment, Labor-HHS-Education, Legislative Branch, State-Foreign Operations and Transportation-HUD.

We will continue to push for funding for the CMA's priority projects. However, we won't know anything final until Congress takes up the remaining appropriations bills early next year.

Surface Transportation Authorization

House:

Chairman Oberstar is determined to move a bill forward through the early months of the 111th Congress. Currently, Transportation and Infrastructure staff are drafting principles and draft language for Chairman Oberstar to begin talking about in February. The Chairman wants to have a bill introduced in early spring. The bill would be marked up in April and on the Floor by Memorial Day.

Committee staff are drafting with the mindset of making the federal program as user friendly as possible. In other words, whenever possible they are looking to consolidate programs. Committee staff has said that there will be a comment period for the principles and draft legislation once Chairman Oberstar makes it public this winter.

However, funding the next reauthorization bill continues to be the major obstacle. Chairman Oberstar has not laid out a funding mechanism for his bill. Instead, he has said that all options are on the table. This could include a combination of a gas tax increase, container fee, indexing the gas tax, a vehicle miles traveled user fee.

There could be a call for projects as early as February.

Senate:

The Senate Environment and Public Works Committee intends to move quickly on its part of the reauthorization bill. Staff believes they will have their bill marked up in early spring and on the Senate floor during the summer. Chairwoman Boxer wants to have a bill conferenced and ready for the President to sign by September 30th. In short, EPW is working on the same time line as the House T&I Committee. Chairwoman Boxer's top priorities continue to be Goods Movement and Air Quality. At this time it is unclear how these issues will be addressed in an EPW bill.

EPW has had preliminary discussions with the Senate Banking Committee about reauthorization. Senate Banking has been consumed with the economic crisis and the bailout legislation. Banking is not as far a long as EPW. Additionally, Senate Majority staff is short a transit point person. To date, Senate Banking staff has indicated an interest in rewriting the Rail Mod program, but we do not have any detail on how staff might proceed.

Administration:

Currently, DOT agencies have white papers and/or reauthorization proposals that are ready to go. However, we do not know if these proposals will be made public. Currently, Mort Downey is leading the DOT transition team and working to put policy approaches in place. President Elect Obama has been supportive of funding state infrastructure banks (\$60 billion) and integrating general smart growth approaches. President Elect Obama named retiring Representative Ray LaHood (R-IL) as his nominee for Transportation Secretary.

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